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**TO: Economic Support Supervisors  
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Training Staff  
Child Care Coordinators  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers**

**FROM: Amy Mendel-Clemens  
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**BHCE/BWP OPERATIONS MEMO**

**No: 04-33**

**DATE: 07/02/2004**

FS	<input checked="" type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	WtW	<input type="checkbox"/>		
Other	EP	<input type="checkbox"/> ★			

**PRIORITY: HIGH**

**SUBJECT: Denying and Closing Zero Benefit Food Stamp Cases**

**CROSS REFERENCE:** Federal Regulations: 7 CFR 273.10(e)(2)(iii)(A) and (B)(1-7)  
FSH Appendix 01.03.01; 17.01.01

**EFFECTIVE DATE:** JULY 16, 2004

**PURPOSE**

This memo outlines a change in policy for zero benefit food stamp (FS) cases. FS applications determined to have a zero dollar benefit allotment will now be denied and currently open FS cases will close.

**BACKGROUND**

Categorically eligible FS groups are not tested against the FS asset test or against the gross or net income limits. The group's net income is used to determine a FS benefit allotment amount. Categorically eligible one or two person FS groups receive at least a \$10 minimum monthly allotment. Other categorically eligible FS groups with more than two members, whose income exceeds the net income limit, are certified and "open" in CARES with an allotment amount of zero.

Federal regulations give States two options regarding categorically eligible households who are entitled to zero benefits. States can either

- (A) Deny or terminate the household's certification or
- (B) Certify the household, but suspend its participation.

Wisconsin has made the decision to change current policy and implement option A. Closing zero benefit cases is less error prone than the other option. Denying zero benefit cases will eliminate them from area caseloads. It also aligns Food Stamp and Medicaid policy.

## ***POLICY***

Currently, zero benefit FS food units are certified and subject to the same change reporting and certification policies as other FS food units. They are also required to participate in FSET.

### **NEW POLICY**

Effective July 16, 2004, categorically eligible FS groups with a zero benefit allotment amount will be denied. FS food units that are currently open with a zero benefit allotment amount will be closed with a mass change run in CARES on July 10, 2004. The denied or closed FS group can file a new application and complete an intake interview if they wish to be reconsidered for FS eligibility.

### **SPECIAL CIRCUMSTANCES**

#### **Zero Allotment In Initial Benefit Month, FS Allotment Issued In The Second Month**

Food units determined to have a zero benefit allotment in the initial month of application, but are entitled to an allotment in the second month, will be denied in the first month and opened in the second month. If the benefit calculation is zero for the first two months, the case will be denied.

**NOTE ➤** The 12 month FS certification period will begin the month of application even though the first month may be denied because the allotment amount is zero.

Barry applied for FS in August after he lost his job. In the FS benefit determination for August and September, Barry received zero for August (due to excess income) and \$98 in September. His certification period starts in August.

#### **Transitional Food Stamps (TFS)**

If the FS benefit is reduced to zero for the month between the benefit determination month and the month TFS begins the case will remain open.

Donna got a job in July and her last W-2 check was issued in August. Her TFS benefit starts in September. Her income from her new job caused her allotment to be reduced to zero for August. The case remains open during the month of August and her TFS benefits start in September.

## ***CASE PROCESSING***

CARES will deny or close the FS case automatically when the FS groups adjusted income is greater than the allotment amount. No worker action is needed.

CARES will issue a closure notice that will include reason code 557: "YOUR NET INCOME EXCEEDS THE LEVEL TO RECEIVE FOOD STAMP BENEFITS. "

If the group re-applies for FS, after being closed one day or more, the group must be assessed for priority service, have a new filing date set, and complete an intake interview.

## **CONTACTS**

BHCE CARES Information & Problem Resolution Center

★Program Categories – FS – Food Stamps, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WtW – Welfare to Work, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHFS/DHCF/BHCE/JE/JW